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MASTER

Approved For Release 2003/02/27 : CIA-RDP72-00310R000100090023-3

ACTION: Amembassy BANGKOK Amembassy VIENTIANE  
Amembassy PHNOM PENH Amembassy TOKYO  
Amembassy SAIGON Amembassy SEOUL  
Amembassy CANBERRA Amembassy MANILA  
Amembassy DJAKARTA Amembassy TAIPEI

INFO: CINCPAC  
COMUSMACV  
COMUSMACVHAI

EXDIS

SUBJECT: Guidance on Amendments to Defense Procurement Act

REF: (A) State 138023 (NOTAL)  
(B) State 138907 (NOTAL)

1. Reftels (being repeated as necessary) provide background and legal interpretation of pending Senatorial amendments to Defense Procurement Act: (a) limiting additional pay and allowances to foreign forces to no more than the equivalent amount of combat pay given to U.S. forces and (b) interpreting the present language of the restrictive clauses relating to service funded military assistance in a narrow fashion.
2. Following is entirely for background of addressee posts to help in answering possible inquiries from government officials and putting matter in proper perspective. Amendment (a), should it become law in its present form, will possibly affect some foreign troops (Koreans and Thais) now fighting in RVN. We are looking into this point and will provide further guidance as necessary. However as indicated in earlier reftel (B), Senator

Clearances: EA - Amb. Green ✓ H - Mr. Schnee ✓  
EA - Mr. Wilson ✓ L - Mr. Greenwald ✓  
DOD - CIA -   
White House - Mr. Holdridge

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Stennis, who will lead the Senate conferees, has taken the position that any amendment that might come out of Conference should not put the U.S. in default of any international obligation. While it is not completely clear whether Stennis regards existing arrangements (which are subject to appropriations) as obligations, he does not seem to view an "obligation" only in a narrow legal sense. Also we do not now contemplate any future arrangements which will be affected by this amendment should it pass.

3. Amendment (b), as indicated in reftel (B), does not carry the present already restrictive language of the Defense Procurement Act beyond the interpretation already being applied to it within the Executive Branch. In this sense, therefore, it will not, even if passed in its present form, further restrict our ability to pursue policies under the Nixon (Guam) Doctrine of increasing self-reliance for their own defense among Asian and other nations, and of promoting mutual cooperation among increasingly self-reliant Asians and other nations in their own and each other's defense ~~efforts~~ whenever and wherever such is required.

4. Senate amendments come as part of an on-going process in that body. There is broad support in the Senate for ensuring that the language of the present law limiting funds for service-funded military assistance to "Vietnamese and other free world

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forces in Vietnam" and "local forces in Laos and Thailand" is interpreted in most restrictive fashion. For example Senator Stennis in the Armed Services Committee report on the bill indicated that the language had been amended in Committee to provide for the support of "Vietnamese and other free world forces in support of Vietnamese forces" *to make it clear that* ~~thereby authorizing~~ U.S. support for non-U.S. forces operating against Cambodian sanctuaries and in protective reaction strikes in these areas *was authorized.* Senator Stennis made clear that his own change in the language should not be interpreted to support Vietnamese and other free world forces operations beyond the sanctuaries on the thesis of defense of Vietnam. The Fulbright language (Amendment (b)) appears to have accepted this point and to have added Laos to the same broad restriction, which while it may have merit in the eyes of sponsors in domestic terms, provides no further restrictive interpretation as far as we are concerned at this time. We are studying its effect on possible future programs. We are concerned that if Amendment (b) is passed, it not be interpreted by our friends and allies as watershed of significant change in USG policy, and particularly the Nixon Doctrine. Rather we would want to have them understand that aside from whatever

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domestic U.S. considerations its sponsors may wish to attach to it, the amendment in its present form does not change in any marked respect our present and future capabilities to support our southeast Asian friends and allies under the Service-funded military assistance programs of the DOD Procurement Act. FYI We cannot of course exclude the fact that in the future more restrictive language will be attached to this or other legislation. We would hope that public discussion of <sup>sensitive</sup> programs we are undertaking as well as our interpretation of these legislative restrictions can be held to a minimum to avoid attracting additional restrictive amendments. End FYI.

PM:TRPickering:EMcG 8/27/70  
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# ROUTING AND RECORD SHEET

06C70-1518

SUBJECT: (Optional)

OGC Subject: APPROPRIATIONS

FROM:

DCFE

EXTENSION

NO.

DATE

2 Sept 70

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

OGC  
ATTN: Mr. John Warner

9/2/70

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11.

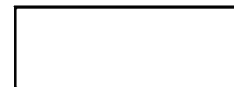
12.

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15.

I attach a copy of an EXDIS cable draft on guidance for various embassies in the Far East prepared by the State Department on the whole Defense procurement affair. I have been asked for our clearance on the cable. Would you give it a quick reading and let me know if there are any reasons why we should not clear it.



STATINTL

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